

Faster, easier, cheaper

FY2005

Strategic Plan

FY2005

Strategic

Plan

Office of Administration



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Bob Holden
Governor

Jacquelyn D. White
Commissioner

State of Missouri

OFFICE OF ADMINISTRATION

Commissioner's Office

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October 1, 2003

The Honorable Bob Holden
Governor, State of Missouri
Executive Office, State Capitol
Jefferson City, Missouri

Dear Governor Holden:

Last year the talented and inventive employees of the Office of Administration met the challenge to find savings and create efficiencies in state government. Once again, we have ended the year doing what others did not think possible. We have stayed focused on our objectives and made significant progress even in the face of losing 25% of our state funded staff. We are pleased once again to demonstrate leadership in better managing the use of state resources.

Highlights of achievements in FY03 include:

- *2003 Governor's Award for Quality and Productivity* awarded to the Workers' Compensation Team for its implementation of the Early Return to Work Program, which has saved in excess of \$2.2 million since its inception.
- Secured legislative approval for the Property Preservation Fund, an innovative approach to self-funding property insurance for bonded state-owned buildings, which is expected to save over \$1 million dollars in its first year.
- Adopted statewide policies governing state owned vehicles that restricted commuting and individual assignments of vehicles, placed a moratorium on most new vehicle purchases and defined appropriate use of state vehicles.
- Reduced the state passenger vehicle fleet by over 10% since the inception of the Fleet Management Program.
- Developed and installed a web-based Fleet Information System to track the ownership, utilization and operational cost of state vehicles.
- Received national recognition from the General Services Administration for Facilities Maintenance operations.
- Began implementing the recommendations of the interagency Mail Team, including operational enhancements that have reduced overall mail volume by over 10%.
- Developed and launched a new employee suggestion system entitled Missouri Relies on Everyone (MoRE). Seventy-eight suggestions were submitted and reviewed during the first month of the program.
- Added salary range information to approximately 1,000 class specification pages posted on the Internet. This tool had been requested by agencies.

The fiscal year 2005 Office of Administration Strategic Plan continues to provide the roadmap for improved business functioning, which citizens can understand. Measurable cost savings and business processes have been identified. As we face another difficult year with the state budget, we are committed to showing taxpayers that their dollars are spent wisely and prudently.

Sincerely,

Jacquelyn D. White
Commissioner



Vision Statement

The Office of Administration shall be recognized for its leadership role in performing administrative services and establishing administrative standards in a manner that is efficient, effective and customer-focused.

Mission Statement

The Office of Administration performs administrative services and establishes administrative standards for state agencies, our primary customers, helping them fulfill their missions.

Values

We recognize our **LEADERSHIP** role in providing **EFFECTIVE** and **RESPONSIBLE** government to the citizens of Missouri.

We value:

- Excellence in performance
- Efficiency and accountability in government
- Continuous improvement in operations

We will be **RESPONSIVE** to the needs of our customers.

We value:

- Consistently high quality service to customers
- Timely, easy to use service
- Rewards based on performance results and customer satisfaction

We will perform our responsibilities with **INTEGRITY** and **PROFESSIONALISM**.

We value:

- Participation in public service
- High professional and ethical standards
- Fair and open government

We are committed to **PERSONAL GROWTH** and **ORGANIZATIONAL DEVELOPMENT** and will seek ways of constantly expanding our capabilities.

We value:

- Each employee and their contribution to the success of OA
- A competent, skilled organization
- Continuing personal and professional development

We recognize the benefits of **DIVERSITY** in our workforce and will continue efforts in recruitment, promotion and retention toward this goal.

We value:

- The worth and dignity of each member of our organization
- Respect for our differences
- Maximizing the potential of our workforce



Priority Results for Missourians

Our state continues to lead the nation in Managing for Results. The Managing for Results initiative is a management tool for the Governor and his cabinet to help keep government focused on results and to drive meaningful improvements for citizens. The Managing for Results effort encourages fact-based decision making and innovation and recognizes the need for agencies to work together to drive significant improvements.

Managing for Results will lead to:

- Better performance on high priority results
- Agencies collaborating to improve their performance
- Increased accountability for Missouri citizens
- Cost savings
- Reduced burden on citizens
- Increased diversity in state government

Three goals have been established with specific results and corresponding measures identified for each goal. The measures provide a means for identifying historical trends, monitoring recent progress, and when possible, comparing Missouri to the nation as a whole. The following three goals illustrate Governor Holden's commitment to ensuring that:

<i>Missouri is a Leader in Education</i>	<i>Missouri is Developing a 21st Century Economy</i>	<i>Missouri is a Safe, Healthy Place to Live and Work</i>
<p>Result:</p> <ul style="list-style-type: none"> ➤ Increased percentage of children prepared for kindergarten ➤ Increased percentage of students scoring proficient or higher on MAP tests ➤ Increased percentage of 18-year-olds with a high school diploma or GED <p>Success Predictors:</p> <ul style="list-style-type: none"> ➤ Parents participating in Parents as Teachers program ➤ Children not abused or neglected ➤ Children participating in a quality early childhood experience ➤ K-3rd graders in classes with 15-20 students ➤ Use of technology in the classroom ➤ High quality teachers ➤ School attendance ➤ Youth involved in extra-curricular and community activities ➤ Teens not getting pregnant ➤ Students without substance abuse 	<p>Result:</p> <ul style="list-style-type: none"> ➤ Increased level of per capita income ➤ Decreased rate of unemployment ➤ Increased percentage of people with incomes above 100% of the poverty level <p>Success Predictors:</p> <ul style="list-style-type: none"> ➤ Missourians with under-graduate or technical degrees ➤ Improved net farm income ➤ High wage jobs ➤ Higher rates of employment among persons with disabilities ➤ Thriving businesses ➤ Economic health of the community ➤ Safe and sound financial institutions ➤ High quality transportation infrastructure ➤ Representation for all citizens in the economy 	<p>Result:</p> <ul style="list-style-type: none"> ➤ Decreased rates of crimes against persons ➤ Decreased rates of crimes against property ➤ Increased percentage of births resulting in healthy birth-weight babies ➤ Decreased impact of chronic diseases ➤ Increased life expectancy <p>Success Predictors:</p> <ul style="list-style-type: none"> ➤ Few repeat offenders (recidivism rate) ➤ Less juvenile crime ➤ Mothers accessing pre-natal care ➤ Mothers not smoking or abusing drugs during pregnancy ➤ Higher immunization rates ➤ Lower rates of chronic risk factors (smoking, obesity, etc.) ➤ Missourians with health insurance ➤ Missourians not living in poverty ➤ Clean air and water ➤ People with mental illnesses moving towards recovery



Key Outcomes and Objectives

The OA Executive Management Team charted the department's course in FY04. Following the Managing for Results principle, consideration was given to the needs and expectation of our customers, our employees, the department and the pressing need to adapt to a fluid budget. These key priorities continue to guide our activities and decision-making for FY05. The targets for improved performance fall into three categories: cost, ease of use and time.

Outcome #1: Reduced costs of overall operations

- Reduce telecommunications costs statewide by 3%.
- Reduce costs of mail services statewide.
- Hold office rental costs to within the ranges of comparable lease market rates.

Outcome #2: Increased value added, efficient business operations

- Complete one business reform initiative in each key business area.
- Reduce the time to place an applicant on the register.
- Establish systematic financial analyses and tools.
- Maximize usefulness and effectiveness of budget processes/ products.
- Reduce (purchasing) bid processing time.
- Reduce owner requested changes during design and/or construction phase of capital improvement projects.

Outcome #3: Fair representation of all citizens in workforce and procurement

- Increase annually the percent of minority employees in all salary quartiles and the percent of non-minority female employees in the top salary quartile.
- Increase annually the percent of purchases from minority and women owned businesses.



Charts, Graphs and Data Tables

Objective: Reduce telecommunications costs statewide by 3%.

Number of Plexar Lines: 25,745					
	FY04 Estimated Monthly	FY05 Targeted Monthly	Monthly Savings		Annual Savings
			\$	%	\$
Plexar cost	\$314,614.50	\$208,534.5	\$106,080	34%	\$1,272,960
Average cost per station	\$12.22	\$8.10	\$4.12	34%	Not applicable

By reducing local phone line (Plexar) cost, telecommunications costs will be reduced statewide. Typical rate for a business line in Bell Territory is approximately \$40.00.

Objective: Reduce costs of mail services statewide.

Measure	Historical				Target	
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004*	FY 2005
Volume	44.2 mil	42.5 mil	41 mil	40.5 mil	41.5 mil	40 mil
USPS increase	6%		8%			
Cost/piece	\$0.49	\$0.49	\$0.51	\$0.49	\$0.43	\$0.39

*FY04 is showing an increase due to Department of Social Services projected increase of four million pieces and Department of Revenue's projected increase of 1.1 million pieces, both due to new programs or legislative mandates. Volume in all other agencies will continue to decrease.

Objective: Hold office rental costs to within the ranges of comparable lease market rates.

Measure	Historical		Target	
	Market Range FY2003	FY2003	FY2004	FY2005
Average per square foot				
Location				
St. Louis City	\$10.98 - \$18.50	\$15.98	\$16.54	\$16.92
St. Louis County	\$12.28 - \$21.88	\$17.28	\$17.00	\$17.18
Kansas City	\$9.58 - \$18.91	\$12.33	\$11.87	\$11.76
Cape Girardeau	\$14.90 - \$20.37	\$10.98	\$10.53	\$10.57
West Plains	\$10.68 - \$11.90	\$9.20	\$9.18	\$9.18
Jefferson City	\$10.66 - \$12.00	\$8.90	\$8.73	\$8.73
Hannibal	\$12.47 - 14.32	\$9.03	\$8.92	\$8.66

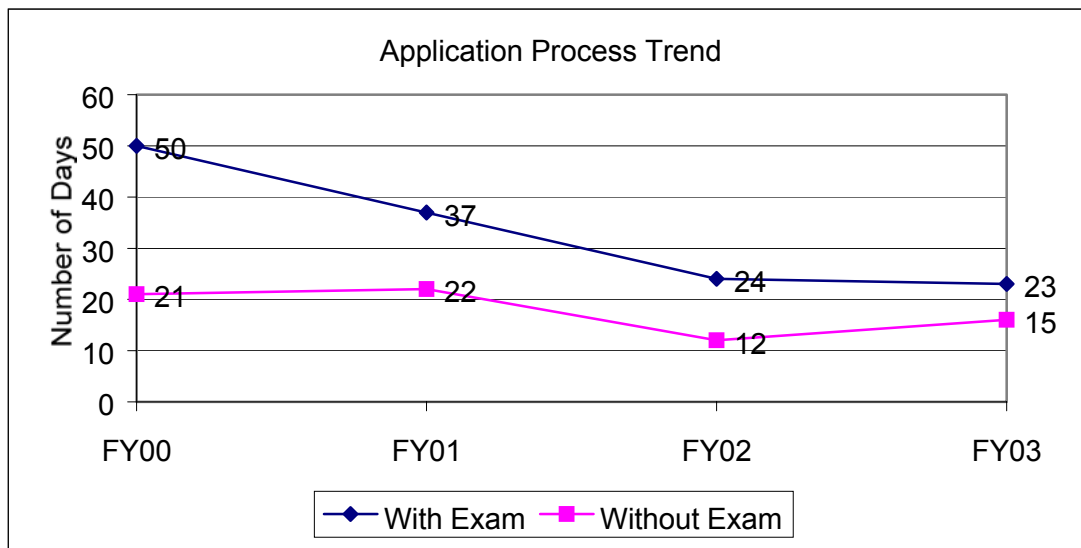


Charts, Graphs and Data Tables, continued...

Objective: Reduce the time to place an applicant on the register.

Data	Historical				Target	
	FY00	FY01	FY02	FY03	FY04	FY05
Jobs Applied For	106,423	90,575	89,274	95,590	92,000	96,000
Applications Received	31,173	28,473	26,815	28,402	27,500	28,500
Individual Applicants	29,879	27,065	25,770	27,035	26,500	27,000
Number of Names Added to Registers	24,970	23,221	22,004	22,743	22,500	22,800
Classes Added to Registers	47,160	41,316	38,467	38,765	38,000	39,000
Appointments from Registers	7,019	7,005	6,447	5,784	5,500	6,000
Time to hire with written exam*	50 days	37 days	24 Days	23 Days	22 days	21 days

*A number of factors affected the decrease in days. In FY 00, 250 of the 450 open continuous job classifications were closed due to low numbers of new hires. In FY 01, an additional 100 job classes were closed. In addition, job duties of personnel analysts were reallocated and rating sheets updated to allow analysts to evaluate applications more quickly and accurately.

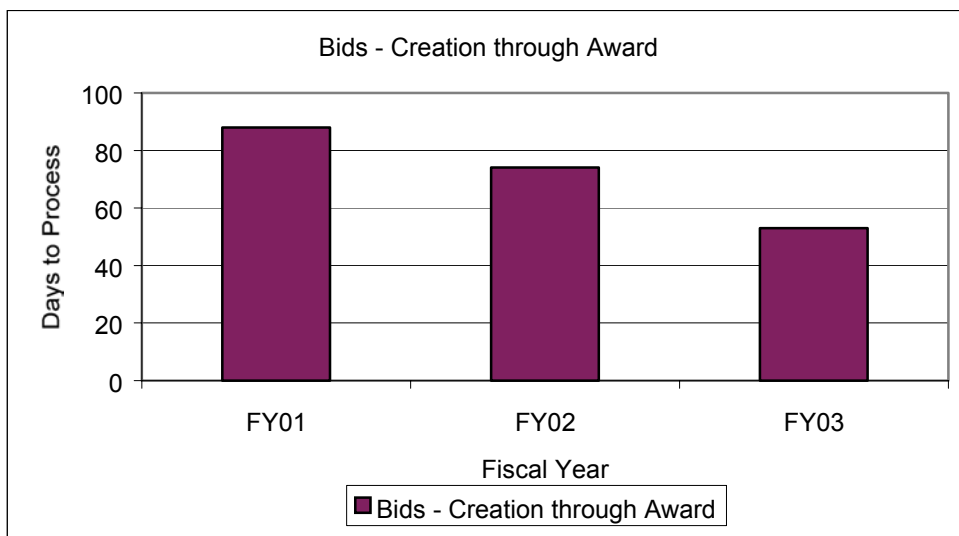




Charts, Graphs and Data Tables, continued...

Objective: Reduce (purchasing) bid processing time by ten days.

Measure	Historical			Target	
	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Average number of days to process bid through SAM II	88	74	53	48	43



The decrease in days was achieved through the following processes:

- Bids being posted on the website, E-mail notifications of solicitations to the vendors, and E-bids (bidders can respond to bids electronically). This has eliminated the need for additional days to allow time for mailing of the bid documents.
- Buyers have given the agencies deadlines to complete various steps in the bid process to avoid waiting for weeks for an agency to return or provide information.



Charts, Graphs and Data Tables, continued...

Objective: Reduce owner requested changes (drift) during design and/or construction phase of capital improvement projects*. (Desired ratio is 1.00.)

Measure	Historical						Target			
	FY01		FY 02		FY03		FY04		FY05	
Change Ratio	Contract Change Ratio	Scope Change Ratio	Contract Change Ratio	Scope Change Ratio	Contract Change Ratio	Scope Change Ratio	Contract Change Ratio	Scope Change Ratio	Contract Change Ratio	Scope Change Ratio
Agency										
ADA	0.9416	N/A	0.0000	0.0000	0.0000	0.0000	1.0200	1.0000	1.0100	1.0000
DA	1.0945	N/A	1.1000	1.1578	1.0000	1.0000	1.0200	1.0000	1.0100	1.0000
DOC	0.9726	N/A	1.0654	0.9409	1.0706	0.8296	1.0200	1.0000	1.0100	1.0000
DED	1.1564	N/A	1.1117	0.8328	1.0000	0.8383	1.0200	1.0000	1.0100	1.0000
DESE	1.0995	N/A	1.0167	0.9346	1.0713	0.8450	1.0200	1.0000	1.0100	1.0000
DOLIR	0.0000	N/A	1.2114	0.9541	1.0000	0.2395	1.0200	1.0000	1.0100	1.0000
Senate	13.3615	N/A	0.0000	0.0000	0.0000	0.0000	1.0200	1.0000	1.0100	1.0000
DMH	1.1341	N/A	1.0488	0.7368	1.0818	0.6166	1.0200	1.0000	1.0100	1.0000
DNR	1.0658	N/A	1.0958	1.2663	1.0575	1.1701	1.0200	1.0000	1.0100	1.0000
OA	1.1842	N/A	1.0853	0.5161	1.0291	1.0000	1.0200	1.0000	1.0100	1.0000
DPS	1.0458	N/A	1.0656	1.2065	1.0620	0.7190	1.0200	1.0000	1.0100	1.0000
DOR	1.0000	N/A	0.0000	0.0000	0.0000	0.0000	1.0200	1.0000	1.0100	1.0000
DSS	0.9800	N/A	0.8323	0.9875	1.0428	0.9743	1.0200	1.0000	1.0100	1.0000
MoDOT	0.0000	N/A	1.0000	1.1249	0.0000	0.0000	1.0200	1.0000	1.0100	1.0000

Contract Change Ratio Equals $\frac{\text{Final construction contract value (\$)}}{\text{Total of all original construction contract values (\$)}}$
 (=)

Scope Change Ratio Equals $\frac{\text{Total of all final construction contract value (\$)}}{\text{Total of all original allowable for construction (\$)}}$
 (=)

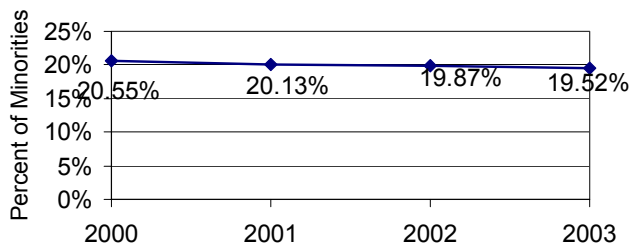
***Drift** is the change in the scope of work of a capital improvement project from the time the project is appropriated to the time construction is complete. A capital improvement appropriation is based upon an estimate of probable cost for a specific scope of work. If the owner changes the scope of work, the cost of the project will change accordingly. Since the appropriation amount is “fixed,” a change in scope causes budget adjustments not contemplated originally. As an example, an agency changes their idea of what needs to be done or wants to increase the work, i.e. instead of replacing 1000 sq. ft. of floor tile they want to replace 1250 sq. ft. This increase in scope results in an increase in cost. Tracking changes in cost for owner requested changes is a measure of this “drift.” If there are no changes, the ratios above would be 1.00, if they add more work (scope) the ratios are greater than one, i.e. 1.20. Less work, when requirements are deleted from the project, the ratios are less than 1.00 i.e. 0.90. The desired ratio is 1.00. The contract change ratio is during construction. The scope change is total project.



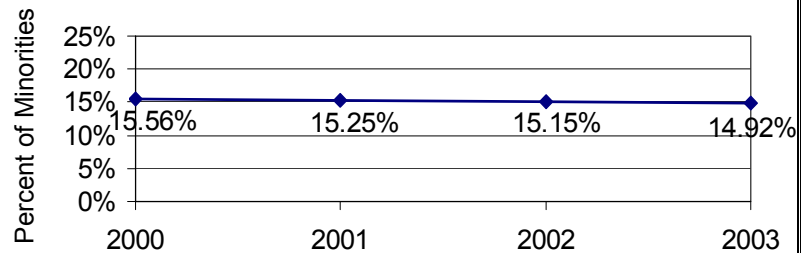
Charts, Graphs and Data Tables, continued...

Objective: Increase annually the percent of minority employees in all salary quartiles and the percent of non-minority female employees in the top salary quartile.

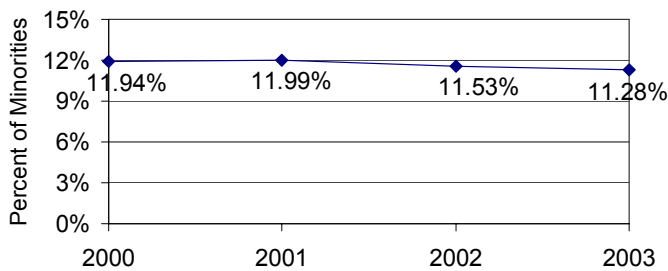
**Percent of Minority State Employees
Earning in the First Quartile**



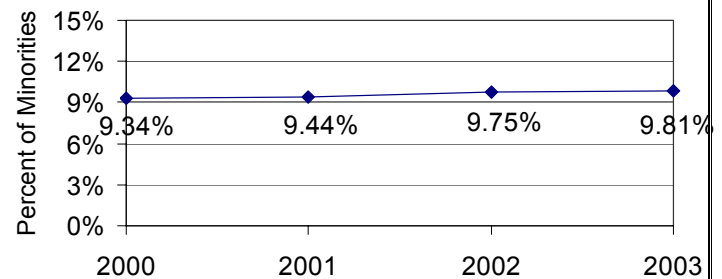
**Percent of Minority State Employees
Earning in the Second Quartile**



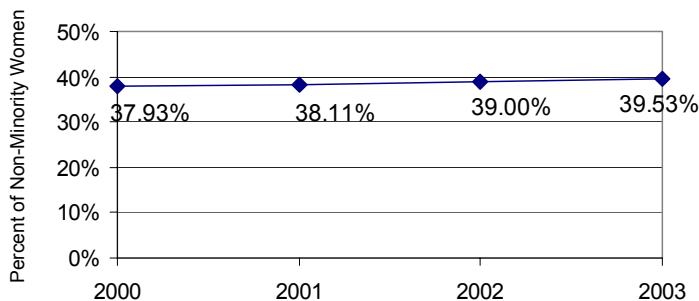
**Percent of Minority State Employees
Earning in the Third Quartile**



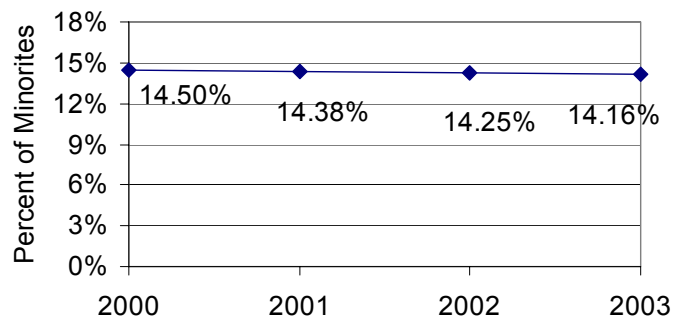
**Percent of Minority State Employees
Earning in the Fourth Quartile**



**Percent of Non-Minority Women State
Employees Earning in the Fourth Quartile**



**Percent of Minority State Employees
All Salaries**

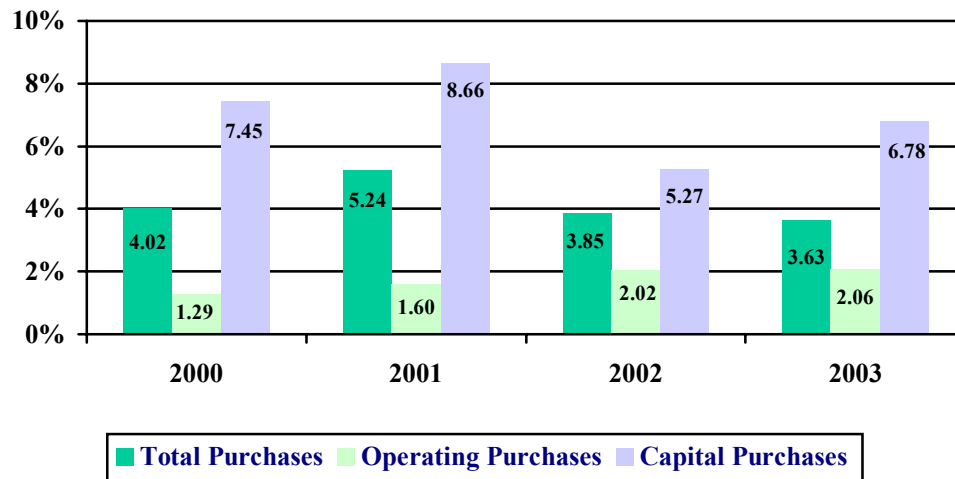




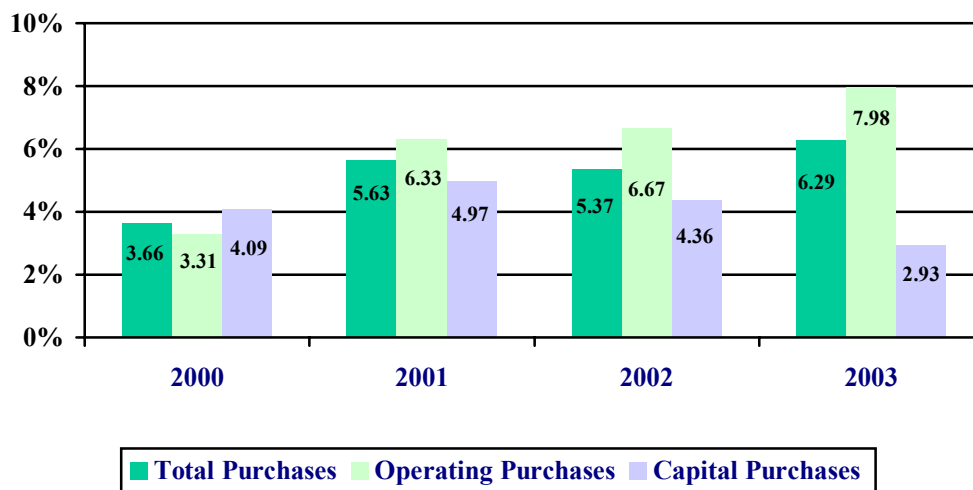
Charts, Graphs and Data Tables, continued...

Objective: Increase annually the percent of purchases from minority and women owned businesses.

Percent of State Government Purchases from Women Business Enterprises



Percent of State Government Purchases from Minority Business Enterprises





Key System Improvement Plan

Project: Mail Room

Introduction

With the new postage rate increases, the State is now spending over \$23 million a year on outgoing mail. The team, consisting of representatives from a number of state agencies, evaluated several areas for improvement. The mission of the team was: Identify mail processing improvements for state agencies and customers so that both could benefit from more efficient operations. The desired results were reduced postage costs, reduced mail volume and increased operational efficiencies.

Performance Measures

- Percent reduction in mailing volume

The target is a 10% reduction in volume, resulting in a cost savings of \$1.9 million.

Strategies

After a thorough analysis of the mailroom process, recommendations and strategies were developed to improve the process and achieve the desired results. The three recommendations identified were:

- Upgrade the CASS/PAVE software to achieve maximum postal discounts, provide proper mail hygiene and determine undeliverable addresses;
- Update the State's mail services contract to obtain better price breaks from vendors and better usage information for each agency.
- Establish a statewide mail users group to share best practices and develop a mail users guide and brainstorm continuous improvements and cost savings.

An action plan, identifying strategies and timelines for each, is being implemented to achieve the three recommendations.



Key System Improvement Plan, continued...

Project: Fuel and Utilities

Introduction

With continued budget constraints, saving costs through energy conservation in state owned facilities became a priority. A team of facility managers set goals of reducing energy consumption, developing a statewide campaign and focusing on immediate results. Through the efforts of this project team, a savings of \$156,000 was realized in the first six months. Facilities Management staff continues to investigate energy saving items.

Performance Measures

- Dollars spent on fuel and utilities
- Utility costs per square foot of office space
- Percent reduction in KWH usage

The target is a 10% reduction in energy costs. In the first four months, the rate of reduction in KWHs was 3.8%, resulting in a cost savings of \$108,576.

Strategies

After a thorough analysis of the energy use in state owned buildings, including assistance from the Department of Natural Resources Energy Center, strategies were developed to reduce energy consumption. Ideas continue to generate such as removing lights in vending machines and replacing ballasts with electronic ballasts. Below are a few of the strategies implemented to date:

- Remove every 3rd light in common areas
- Reduce escalator and elevator operations
- Reduce/adjust lighting schedules
- Disconnect re-heats
- Reduce temperature on water heaters
- Adjust night set backs (reduce temps)
- Adjust fan operations
- Calibrate AHUs to operate in economizer mode

Energy savings continue through "performance contracting" (ESCO), and will include all items identified in the DNR audit. The first project selected is the changing of ballast in Truman and Wainwright state office buildings to electronic ballast. With a cost of approximately \$2 million, payback will be realized in only seven years. In addition, OA and MDNR Energy Center will soon host "Energy Star" Conference, with the first meeting to focus on cross talk and data gathering.



Key System Improvement Plan, continued...

Project: Improving the Hiring Process

Introduction

The OA Division of Personnel is currently dealing with a variety of concerns expressed by their customers. An interagency team was developed to address the issues facing merit agencies, in particular, reducing the time to hire, simplifying the process for applicants and agencies, leveraging technology and assisting hiring managers and supervisors in the merit agencies.

Performance Measures

- Time to place an applicant on the register
- Increase in customer satisfaction

Strategies

- Establish a centralized location for recruiting and advertising vacant positions
- Develop an electronic application and examination
- Decentralize hiring process by delegating the screening and selection of applicants to the agencies where applicable

Individual teams within Division of Personnel have been established for further research and implementation of the strategies.